THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) Article 20 of the WTO Agreement on Agriculture mandates further negotiations for continuing the reform process initiated during the Uruguay Round in order to achieve further trade liberalisation particularly bringing new disciplines to bear on the use of the trade-distorting domestic policies, cutting export subsidies and discipling the use of Sanitary and Phyto-sanitary Measures. As mandated these negotiations have since begun. For India an important issue is to retain the flexibility for addressing our concerns relating to food security and livelihood particularly, rural employment. Preparations in this regard are underway and relevant studies by research institutes have been commissioned and also interaction initiated with farmers' organisations, Agricultural Universities and others in various parts of the country.

Remove Quantitative Restrictions

2457. SHRI PREM CHAND GUPTA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that under WTO agreement, India will have to remove quantitative restrictions on import of various items by April, 2000;

(b) whether it is also a fact that many of these items are reserved for the Small Scale Industries (SSI) Sector; and

(c) what are the Government plans to protect SSI units if the foreign goods will be allowed to enter India with any quantitative restrictions ?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir. Pursuant to a dispute filed by the United States of America (USA) in the World Trade Organisation (WTO) on the Quantitative Restrictions (QRs) on imports maintained by India, India and the USA have reached a bilateral agreement for the determination of a reasonable period of time for implementing the rulings and recommendations of the Dispute Settlement Body (DSB), of the WTO, which had upheld that India's QRs on imports were not justified on Balance-of-Payment (BOP) grounds. In terms of this agreement, India has lifted QRs on 714 items on 31-03-2000.

(b) Out of the 812 items reserved for the Small Scale Industries Sector, 576 were already on the OGL prior to 1-4-2000. On 31-3-2000, another 58 items from the reserved list have been placed under OGL

(c) For the protection of SSI units, the Government can, if the situation so warrants, utilise the mechanisms available in the WTO, such as anti-dumping action, countervailing duties and safeguard action. Further, the Government can also consider raising the tarriffs against those items where applied rates are less than the bound rates.

The Government has also put in place serveral measures to help small enterprises become globally competitive, such as technology upgradation (quality upgradation, energy conservation, pollution control, process modifications), infrastructural assistance, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other information technology applications, timely dissemination of information including sensitisation of small industries to the emerging challenges of trade liberalisation.

Restoration of Generalised System of Preferences by US

2458. SHRI P. PRABHAKAR REDDY : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that the United States is likely to restore soon the Generalised System of Preferences (GSP) benefits to some Indian products including agro-chemicals and pharma products;

(b) if so, the details thereof and by when the benefits of GSP are likely to be restored ; and

(c) whether any formal agreement to this effect was signed between India and U.S.A. during President Clinton's visit last month ?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) The Generalised System of Preferences (GSP) of United States of America (USA) is a unilateral scheme under which the notified goods when imported into USA from developing countries, including India, receive preferential tariff treatment. Exports of agro-chemicals and pharmaceutical products from India are presently not covered under the GSP Scheme of the United States. Review of the items which are covered under the Scheme is done generally in June every year.

(c) No, Sir.